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SUBJECT: EU AVIATION EMISSIONS PROPOSAL NOT TO USG TASTE?

GREEKS ASK FOR OUR ALTERNATIVE.

REF: A. 06 STATE 190254 1B. STATE 4858

- 11. (SBU) Econcouns and Econoff delivered points from ref(b) to the Secretary General of Economic Affairs at the MFA, as well as the Director of International Affairs at the Ministry of Transportation. The meetings were positive, and the GoG made no attempt to push back against any of the points raised. In particular the MinTrans interlocutors were actively interested in details surrounding the application of the emissions trading scheme (ETS) to aviation and whether EC projections were credible. MinTrans officials were particularly sympathetic to the argument that the EC was reacting to political pressure with a knee-jerk solution, rather than addressing the problem in a way designed to maximize effectiveness while minimizing the economic impact. Our interlocutors also expressed their continued support for the work of the International Civil Aviation Organization (ICAO) and its credibility as an international body, but stressed their growing concern with aviation emissions and the need for the problem to be addressed soon.
- 12. (C) The GoG was receptive to USG arguments that ICAO was a better forum for discussing and resolving aviation emissions than Brussels. MinTrans officials were also clearly irritated that the GoG official in charge of the issue in Brussels is from the Environment ministry, leading them to humorously suggest that without "adult supervision" the ultimate solution for aviation emissions by "green types" would be the banning of all air travel. Pocket-book arguments also resonated with our interlocutors. With ailing state-owned Olympic Airlines still trying to survive, the GoG is likely to be reluctant to agree to any program which will require an across the board hike in ticket prices, whether fairly spread throughout the industry or not.
- 13. (C) Most importantly, however, our interlocutors wanted to hear specifics about any USG proposal for an ICAO treatment of aviation emissions. Despite our sympathetic hearing, it is less likely that the GoG will actively oppose the EU proposal unless they are comfortable with a USG alternative for dealing with the issue in ICAO. The Greek public is generally green on environmental issues (where it doesn't directly affect their pocketbook, at least), and the GoG will not want to stand against the EU proposal if they are not reasonably sure the USG is going to treat the issue squarely in ICAO.